

## CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

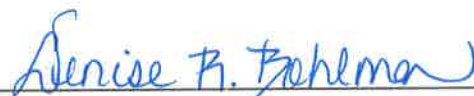
I, the undersigned, being the duly qualified and acting recording officer of the City of Billings, Montana (the "City"), hereby certify that the attached resolution is a true copy of a Resolution 21-10945 entitled: "RESOLUTION RELATING TO \$7,310,000. GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021; FIXING THE FORM AND DETAILS, MAKING COVENANTS WITH RESPECT THERETO, AUTHORIZING THE EXECUTION AND DELIVERY AND LEVYING TAXES FOR THE PAYMENT THEREOF" (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council of the City at a regular meeting on April 26, 2021, and that the meeting was duly held by the City Council and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Councilmembers voted in favor thereof: Yakawich, Shaw, Ewalt, Neese, Joy, Choriki, Ronning, Purinton, Boyett, and Mayor Cole; voted against the same: None; abstained from voting thereon: None; or were absent: Brown.

WITNESS my hand and seal officially this 26th day of April, 2021.

(SEAL)



  
Denise R. Bohlman, City Clerk

## RESOLUTION 21-10945

### RESOLUTION RELATING TO \$7,310,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021; FIXING THE FORM AND DETAILS, MAKING COVENANTS WITH RESPECT THERETO, AUTHORIZING THE EXECUTION AND DELIVERY AND LEVYING TAXES FOR THE PAYMENT THEREOF

BE IT RESOLVED by the City Council (the "Council") of the City of Billings, Montana (the "City"), as follows:

#### Section 1. Authorization and Sale; Recitals.

1.01 Authorization. At an election duly called and held on November 8, 2011, the electors of the City authorized the issuance and sale of general obligation bonds in the principal amount of \$16,300,000. Pursuant to such authorization, the City sold and issued general obligation bonds of the City denominated its General Obligation Bonds, Series 2012, in the aggregate principal amount of \$15,460,000 (the "Series 2012 Bonds"). The proceeds of the Series 2012 Bonds were used to pay costs of designing, constructing and equipping a new library building in replacement of the Parmly Billings Library and related improvements (the "Project") and paying costs associated with the issuance and sale of the Series 2012 Bonds.

For the purpose of reducing the interest costs and reducing the taxes necessary to pay the principal of and interest on the Series 2012 Bonds, this Council has determined that it is in the best interests of the City and the owners of taxable property therein for the City to pursue the sale of general obligation refunding bonds in order to (i) refund the Series 2012 Bonds maturing on and after July 1, 2022 and outstanding in the aggregate principal amount of \$8,215,000 (the "Refunded Bonds"), and (ii) pay the costs associated with the refunding and the sale and issuance of such bonds.

1.02 Sale. Pursuant to Resolution No. 21-10934, adopted by the Council on March 22, 2021, the City authorized and provided for the sale and issuance of general obligation refunding bonds of the City, to be denominated "General Obligation Refunding Bonds, Series 2021" (the "Series 2021 Bonds"), at a public competitive sale. Pursuant to such authorization, by a resolution adopted on April 12, 2021, the Council awarded the sale of the Series 2021 Bonds to Robert W. Baird & Co., Inc., of Milwaukee, Wisconsin (the "Original Purchaser"), on its bid to purchase the Series 2021 Bonds in the aggregate principal amount of \$7,310,000 at a purchase price of \$8,293,084.27 (reflecting an underwriter's discount of \$37,092.78 and original issue premium of \$1,020,177.05), the Series 2021 Bonds to bear interest at the rates and mature on the dates and in the amounts and contain the further terms and conditions set forth in this resolution. The sale of the Series 2021 Bonds to the Original Purchaser is hereby ratified and confirmed. The indebtedness to be evidenced by the Series 2021 Bonds and all other indebtedness of the City does not exceed the limitation set forth in Section 7-7-4201, Montana Code Annotated.

The interest rates to be borne by the Series 2021 Bonds result in a total dollar interest cost of \$1,445,577.92, a true interest cost of 0.9234685%, an average annual interest rate of 3.0884934% per annum, and a net present value interest savings of \$1,361,024.84, using a discount rate of 0.847% per annum (the approximate yield of the Series 2021 Bonds) over the term of the Refunded Bonds. As required by Montana Code Annotated, Section 7-7-4304, the refunding results in a reduction of total debt service to the City. It is now desirable, proper and in the best interest of the City that the form and details of the Series 2021 Bonds be set forth and prescribed in the official proceedings of this Council.

1.03 Foundation Gift. The Billings Public Library Foundation and the City entered into the Parmlly Billings Library Foundation Gift Memorandum of Agreement, dated July 9, 2012 (the "Memorandum of Agreement"); pursuant to which the Foundation agreed to donate \$3,000,000 to the City in the form of a pledge to be fulfilled over a ten year period, commencing August 1, 2012 (the "Foundation Gift"); provided that the Foundation actually collects pledges or donations in amounts sufficient to pay the Foundation Gift. The Foundation Gift is to be used to pay principal of and interest on the Bonds. The City expects to receive the final amount of the Foundation Gift in August 2021, and will apply that amount to pay a portion of the principal and/or interest on the Series 2021 Bonds.

1.04 Recitals. All acts, conditions and things required by the Constitution and laws of the State of Montana, including Montana Code Annotated, Title 7, Chapter 7, Parts 42 and 43, as amended, in order to make the Series 2021 Bonds valid and binding general obligations in accordance with their terms and in accordance with the terms of this Resolution have been done, do exist, have happened, and have been performed in regular and due form, time and manner as so required. The City has full power and authority to issue the Series 2021 Bonds.

## Section 2. Bond Terms, Execution and Delivery.

2.01 Term of Bonds. The Series 2021 Bonds shall be issued in the aggregate principal amount of \$7,310,000 and shall be designated "General Obligation Refunding Bonds, Series 2021." The Series 2021 Bonds shall be in the denomination of \$5,000 within a single maturity and in integral multiples thereof. The Series 2021 Bonds shall mature on July 1 in the years and amounts listed below, and Series 2021 Bonds maturing in such years and amounts shall bear interest from date of original issue until paid or duly called for redemption at the rates shown opposite such years and amounts, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2022	\$735,000	5.00%	2028	\$680,000	5.00%
2023	530,000	5.00	2029	705,000	5.00
2024	555,000	5.00	2030	745,000	1.00
2025	585,000	5.00	2031	755,000	1.10

2026	610,000	5.00	2032	765,000	1.20
2027	645,000	5.00			

Interest on the Series 2021 Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

2.02 Registered Form, Interest Payment Dates. The Series 2021 Bonds shall be issuable only in fully registered form, and the ownership of the Series 2021 Bonds shall be transferred only upon the bond register of the City hereinafter described. The interest on the Series 2021 Bonds shall be payable on January 1 and July 1 in each year, commencing January 1, 2022. Interest on the Series 2021 Bonds shall be payable to the owners of record thereof as such appear on the bond register as of the close of business on the fifteenth day of the month immediately preceding each interest payment date, whether or not such day is a business day. Interest on, and upon presentation and surrender thereof, the principal of each Series 2021 Bond, and, upon presentation and surrender thereof, shall be payable by check or draft issued by the Registrar described herein.

2.03 Dated Date. Each Series 2021 Bond shall be originally dated as of May 11, 2021, and upon authentication of any Series 2021 Bond the Registrar (as hereinafter defined) shall indicate thereon the date of such authentication.

2.04 Registration. The City shall appoint, and shall maintain, a bond registrar, transfer agent and paying agent (collectively, the "Registrar"). The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its operations center a bond register in which the Registrar shall provide for the registration of ownership of the Series 2021 Bonds and the registration of transfers and exchanges of the Series 2021 Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender to the Registrar for transfer of any Series 2021 Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Series 2021 Bonds of a like aggregate principal amount and maturity, as the case may be, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer of any Series 2021 Bond or portion thereof selected or called for redemption.

(c) Exchange of Bonds. Whenever any Series 2021 Bond is surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Series 2021 Bonds of a like aggregate principal amount,

interest rate and maturity, as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. All Series 2021 Bonds surrendered upon any transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When any Series 2021 Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Series 2021 Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name any Series 2021 Bond is at any time registered in the bond register as the absolute owner of such Series 2021 Bond, whether such Series 2021 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Series 2021 Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the City upon such Series 2021 Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer of Series 2021 Bonds or exchange of Series 2021 Bonds, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Series 2021 Bond shall become mutilated or be lost, stolen or destroyed, the Registrar shall deliver a new Series 2021 Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Series 2021 Bond or in lieu of and in substitution for any such Series 2021 Bond lost, stolen or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Series 2021 Bond lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Series 2021 Bond was lost, stolen or destroyed, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the City and the Registrar shall be named as obligees. All Series 2021 Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the City. If the mutilated, lost, stolen or destroyed Series 2021 Bond has already matured or such Series 2021 Bond has been

called for redemption in accordance with its terms, it shall not be necessary to issue a new Series 2021 Bond prior to payment.

2.05 Appointment of Initial Registrar. The City hereby appoints U.S. Bank National Association, in Salt Lake City, Utah, to act as Registrar. The City reserves the right to appoint a successor Registrar, but the City agrees to pay the reasonable and customary charges of the Registrar for the services performed. Upon merger or consolidation of a bank or trust company that is acting as the Registrar, if the resulting corporation is a bank or trust company authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The City reserves the right to remove any Registrar upon 30 days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Series 2021 Bonds in its possession as Registrar to the successor Registrar and shall deliver the bond register to the successor Registrar.

2.06 Optional Redemption. The Series 2021 Bonds with stated maturities in the years 2022 through 2029 are not subject to redemption prior to their stated maturities. The Series 2021 Bonds with stated maturities on or after July 1, 2030 will be subject to redemption on July 1, 2029, and any date thereafter, at the option of the City, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium. If less than all of the Series 2021 Bonds are to be redeemed, the Series 2021 Bonds to be redeemed shall be from such stated maturities and in such principal amounts as the City may designate in writing to the Registrar (or, if no designation is made, in inverse order of maturities and within a maturity in \$5,000 principal amounts selected by the Registrar by lot or other manner as directed by the City). The date of redemption and the principal amount of the Series 2021 Bonds to be redeemed shall be fixed by the City Finance Director who shall give notice thereof to the Registrar at least thirty-five days prior to the date of redemption. The Registrar shall, at least thirty days prior to the designated redemption date, cause notice of redemption to be provided, by first class mail, or by other means required by the securities depository, to the registered owners of each Series 2021 Bond to be redeemed at their addresses as they appear on the bond register described in Section 2.04, but no defect in or failure to give such notice shall affect the validity of proceedings for the redemption of any Series 2021 Bond not affected by such defect or failure. The notice of redemption shall specify the redemption date, redemption price, the numbers, interest rates and CUSIP numbers of the Series 2021 Bonds to be redeemed and the place at which the Bonds are to be surrendered for payment, which is the operations center of the Registrar. Official notice of redemption having been given as aforesaid, the Series 2021 Bonds or portions thereof so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Series 2021 Bonds or portions thereof shall cease to bear interest.

2.07 Form. The Series 2021 Bonds shall be prepared in substantially the form as set forth on the attached Exhibit A, and by this reference made a part hereof, with such modifications as may be necessary or desirable in accordance with State law and this Resolution.

2.08 Execution and Delivery. The Series 2021 Bonds shall be forthwith prepared for execution under the direction of the City Clerk and shall be executed on behalf of the City by the signatures of the Mayor, the City Finance Director and the City Clerk, provided that said signatures may be printed, engraved or lithographed facsimiles thereof. The seal of the City need not be imprinted on or affixed to any Series 2021 Bond. In case any officer whose signature or a facsimile of whose signature shall appear on the Series 2021 Bonds shall cease to be such officer before the delivery thereof, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. When the Series 2021 Bonds have been so executed by said City officers, they shall be registered by the City Finance Director in accordance with Montana Code Annotated, Section 7-7-4257, as amended. Notwithstanding such execution, no Series 2021 Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under the Resolution unless and until a certificate of authentication on such Series 2021 Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Series 2021 Bonds need not be signed by the same representative. The executed certificate of authentication on each Series 2021 Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution. When the Series 2021 Bonds have been fully executed and authenticated, they shall be delivered by the Registrar to the Original Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Original Purchaser shall not be obligated to see to the application of the purchase price.

2.09 Securities Depository for the Bonds.

(a) For purposes of this Section 2.09, the following terms shall have the following meanings:

"Beneficial Owner" shall mean, whenever used with respect to a Series 2021 Bond, the person in whose name such Series 2021 Bond is recorded as the beneficial owner of such Series 2021 Bond by a Participant on the records of such Participant, or such person's subrogee.

"Cede & Co." shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series 2021 Bonds.

"DTC" shall mean The Depository Trust Company of New York, New York.

"Participant" shall mean any broker-dealer, bank or other financial institution for which DTC holds Series 2021 Bonds as securities depository.

"Person" shall mean any individual, corporation, partnership, joint venture, limited liability company, limited liability partnership, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof, or any other legal entity.

"Representation Letter" shall mean the Blanket Issuer Letter of Representations pursuant to which the City agrees to comply with DTC's Operational Arrangements.

(b) The Series 2021 Bonds shall be initially issued as separately authenticated fully registered bonds, and one Series 2021 Bond shall be issued in the principal amount of each stated maturity of the Series 2021 Bonds. Upon initial issuance, the ownership of such Series 2021 Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2021 Bonds registered in its name for the purposes of payment of the principal of or interest on the Series 2021 Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Series 2021 Bonds under this resolution, registering the transfer of Series 2021 Bonds, and for all other purposes whatsoever; and neither the Registrar nor the City shall be affected by any notice to the contrary. Neither the Registrar nor the City shall have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in the Series 2021 Bonds under or through DTC or any Participant, or any other Person not shown on the bond register as being a registered owner of any Series 2021 Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Series 2021 Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Series 2021 Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Series 2021 Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Series 2021 Bond, and shall give all notices with respect to such Series 2021 Bond, only to Cede & Co. in accordance with the Representation Letter, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of and interest on the Series 2021 Bonds to the extent of the sum or sums so paid. No Person other than DTC shall receive an authenticated Series 2021 Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Series 2021 Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.



(c) In the event the City determines to discontinue the book-entry-only system for the Series 2021 Bonds, the City may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Series 2021 Bonds in the form of certificates. In such event, the Series 2021 Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Series 2021 Bonds at any time by giving notice to the City and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Series 2021 Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The Representation Letter sets forth certain matters with respect to, among other things, notices, consents and approvals by registered owners of the Series 2021 Bonds and Beneficial Owners and payments on the Series 2021 Bonds. The Registrar shall have the same rights with respect to its actions thereunder as it has with respect to its actions under this resolution.

(e) In the event that any transfer or exchange of Series 2021 Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Series 2021 Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Series 2021 Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Series 2021 Bonds, or another securities depository as owner of all the Series 2021 Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Series 2021 Bonds in the form of bond certificates and the method of payment of principal of and interest on such Series 2021 Bonds in the form of bond certificates.

### Section 3. Security Provisions.

3.01 Debt Service Account. There is hereby created a special account to be designated as the "Debt Service Account" (the "Debt Service Account"), to be held and administered by the City Finance Director separate and apart from all other funds of the City, to be used solely to pay principal of and interest on the Series 2021 Bonds. There is hereby created a special costs of issuance subaccount within the Debt Service Account, to be used to pay costs of issuance of the Series 2021 Bonds and costs of the refunding. The City irrevocably appropriates to the Debt Service Account: (a) any proceeds of the Series 2021 Bonds in excess of their principal amount payable to the City (except to the extent such proceeds are deposited in the escrow account established by the escrow agreement described in Section 4.01) or, to the costs of issuance subaccount in the Debt Service Account, any proceeds of the Series 2021 Bonds to pay costs of issuance and of the refunding; (b) the remaining payment of the Foundation Gift; (c) all taxes levied in accordance with this resolution; (d) all income derived from the investment of amounts on hand in the Debt Service Account; (e) excess amounts in the escrow account described in Section 4.01; and (f) such other

money as shall be received and appropriated to the Debt Service Account from time to time.

3.02 Tax Levies. The full faith and credit and taxing powers of the City shall be and are hereby irrevocably pledged to the payment of the Series 2021 Bonds and interest due thereon, and the City shall cause taxes to be levied annually on all taxable property in the City sufficient to pay the interest on the Series 2021 Bonds when it falls due and to pay and discharge the principal at maturity of each and all of the Series 2021 Bonds as they respectively become due.

On or before September 30 of each year and so long as any of the Series 2021 Bonds are outstanding and any principal thereof or interest thereon unpaid, the City Finance Director shall calculate and certify to this Council the total amount of cash on hand in the Debt Service Account and the amount required for the payment of principal and interest on the outstanding Series 2021 Bonds on or before the next succeeding July 1. This Council shall forthwith cause to be levied for collection in the fiscal year a tax sufficient to pay such principal and interest on the Series 2021 Bonds, taking into account the total amount of cash on hand in the Debt Service Account.

#### Section 4. Escrow; Redemption of Refunded Bonds.

4.01 Escrow Agreement. Simultaneously with the delivery of the Series 2021 Bonds, the City Finance Director shall cause proceeds of the Series 2021 Bonds in the amount of \$8,215,000, together with funds the City has on hand in the debt service account for the Refunded Bonds in the amount of \$149,950, to be deposited in the Escrow Account established with U.S. Bank National Association, as escrow agent (the "Escrow Agent") under an Escrow Agreement between the City and the Escrow Agent (the "Escrow Agreement"). The amount deposited in the Escrow Account will be sufficient to refund and redeem the Refunded Bonds on July 1, 2021, as set forth in the Escrow Agreement. The Escrow Account shall be held in safekeeping by the Escrow Agent, and the Escrow Account and all income therefrom are irrevocably appropriated for the purposes stated in this Section 4.01. The Mayor, the City Finance Director, and the City Clerk are hereby authorized to enter into the Escrow Agreement with the Escrow Agent, substantially in the form attached hereto as Exhibit B, with such additions thereto or deletions therefrom as are necessary or appropriate. Upon the establishment and funding of the Escrow Account pursuant to this Section 4.01, the Refunded Bonds shall be defeased and shall no longer be considered outstanding for purposes of Montana Code Annotated, Section 7-7-4201 or any other debt limitation.

4.02 Redemption. The Refunded Bonds are hereby called for redemption on July 1, 2021, at a redemption price equal to par plus interest accrued thereon through the date of redemption, without premium. The Escrow Agent is directed to mail notice to registered owners of the Refunded Bonds in accordance with the provisions of the Escrow Agreement.

## Section 5. Tax Matters.

5.01 Use of Project. The Project is and will continue to be owned and operated by the City and available for use by the general public on a substantially equal basis. The City shall not enter into any lease, use or other agreement with any non-governmental person relating to the use of the Project or security for the payment of the Series 2021 Bonds which might cause the Series 2021 Bonds to be considered "private activity bonds" or "private loan bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986 (the "Code").

5.02 General Covenant. The City covenants and agrees with the registered owners from time to time of the Series 2021 Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Series 2021 Bonds to become includable in gross income for federal income tax purposes under the Code and applicable Treasury Regulations (the "Regulations"), and covenants to take any and all actions within its powers to ensure that the interest on the Series 2021 Bonds will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

5.03 Arbitrage Certification. The City Finance Director is authorized and directed to execute and deliver to the Original Purchaser a certificate in accordance with the provisions of Section 148 of the Code and the Treasury Regulations, Section 1.148-2(b), stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Series 2021 Bonds, as such facts, estimates and circumstances are set forth in the certificate, it is reasonably expected that the proceeds of the Series 2021 Bonds will be used in a manner that would not cause the Series 2021 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the Treasury Regulations applicable thereto.

5.04 Arbitrage Rebate. The City acknowledges that the Series 2021 Bonds are subject to the rebate requirements of Section 148(f) of the Code. The City covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under said Section 148(f) and applicable Treasury Regulations to preserve the exclusion of interest on the Series 2021 Bonds from gross income for federal income tax purposes, unless the Series 2021 Bonds qualify for the exception from the rebate requirement under Section 148(f)(4)(B) of the Code and no "gross proceeds" of the Series 2021 Bonds (other than amounts constituting a "bona fide debt service fund") arise during or after the expenditure of the original proceeds thereof. In furtherance of the foregoing, the City Finance Director is hereby authorized and directed to execute a Rebate Certificate, substantially in the form to be prepared by Bond Counsel, and the City hereby covenants and agrees to observe and perform the covenants and agreements contained therein, unless amended or terminated in accordance with the provisions thereof.

5.05 Information Reporting. The City shall file with the Secretary of the Treasury, not later than August 15, 2021, a statement concerning the Series 2021 Bonds containing the information required by Section 149(e) of the Code.

5.06 "Qualified Tax-Exempt Obligations." Pursuant to Section 265(b)(3)(B)(i) of the Code, the Series 2021 Bonds are designated by the City as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. The City has not designated any obligations in 2021 other than the Series 2021 Bonds under Section 265(b)(3). The City hereby represents that it does not anticipate that obligations bearing interest not includable in gross income for purposes of federal income taxation under Section 103 of the Code (including refunding obligations as provided in Section 265(b)(3) of the Code and including "qualified 501(c)(3) bonds" but excluding other "private activity bonds," as defined in Sections 141(a) and 145(a) of the Code) will be issued by or on behalf of the City and all "subordinate entities" of the City in 2021 in an amount greater than \$10,000,000.

## Section 6. Defeasance.

6.01 General. When the liability of the City on all Series 2021 Bonds issued under and secured by this Resolution and all interest thereon has been discharged as provided in this Section 6, all pledges, covenants and other rights granted by this Resolution to the holders of the Series 2021 Bonds shall cease.

6.02 Maturity. The City may discharge its liability with respect to all Series 2021 Bonds and interest thereon which are due on any date by depositing with the Registrar for the Series 2021 Bonds on or before the date a sum sufficient for the payment thereof in full; or, if any Series 2021 Bond or interest thereon shall not be paid when due, the City may nevertheless discharge its liability with respect thereto by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

6.03 Redemption. The City may also discharge its liability with reference to any prepayable Series 2021 Bonds which are called for redemption on any date in accordance with their terms, by depositing with the Registrar on or before that date an amount equal to the principal, interest and redemption premium, if any, which are then due thereon, provided that notice of such redemption has been duly given as provided in this resolution.

6.04 Escrow. The City may also at any time discharge its liability in its entirety with reference to any Series 2021 Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank qualified by law as an escrow agent for this purpose, cash or securities which are general obligations of the United States or securities of United States agencies which are authorized by law to be so deposited, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without reinvestment, to provide funds sufficient to pay all principal, interest and redemption premiums, if any, to become due on such Series 2021 Bonds at their stated maturities

EXHIBIT A

[FORM OF THE BONDS]

UNITED STATES OF AMERICA  
STATE OF MONTANA  
YELLOWSTONE COUNTY

**CITY OF BILLINGS, MONTANA**

GENERAL OBLIGATION REFUNDING BOND, SERIES 2021

No. \_\_\_\_\_ \$ \_\_\_\_\_

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
%	July 1,	May 11, 2021	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS AND NO/100

FOR VALUE RECEIVED, CITY OF BILLINGS, MONTANA (the "City"), acknowledges itself to be indebted and hereby promises to pay to the registered owner named above, or registered assigns, the principal amount specified above on the maturity date specified above or, if this Bond is prepayable as stated herein, on any date prior thereto on which this Bond shall have been duly called for redemption, and to pay interest on said principal amount to the registered owner hereof from May 11, 2021 or from such later date to which interest has been paid or duly provided for until this Bond is paid or, if this Bond is prepayable, until it has been duly called for redemption, at the rate specified above. Principal of this Bond is payable upon presentation and surrender hereof to U.S. Bank National Association, of Salt Lake City, Utah, as bond registrar, transfer agent and paying agent, or its successor designated under the Resolution described herein (collectively, the "Registrar"), at its operations center in St. Paul, Minnesota. Interest on this Bond is payable semiannually on each January 1 and July 1, commencing January 1, 2022, by check or draft issued by the Registrar to the person in whose name this Bond is registered as of the close of business on the fifteenth day of the immediately preceding month (whether or not a Business Day), at its address as it appears on the bond register maintained by the Registrar. "Business Day" means any day other than a Saturday, Sunday or legal holiday of the State of Montana. Interest is calculated on the basis of a 360-day year composed of twelve 30-day months.

The principal of and interest on this Bond are payable in lawful money of the United States of America. For the prompt and full payment of such principal and interest as the

same respectively become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the City.

This Bond is one of an issue in the total principal amount of \$7,310,000 (the "Series 2021 Bonds"), all of like date of original issue and tenor except as to serial number, denomination, maturity date, interest rate and redemption privilege. The Series 2021 Bonds were issued for the purpose of refunding certain valid outstanding general obligation bonds of the City, all pursuant to Montana Code Annotated, Title 7, Chapter 7, Parts 42 and 43, and resolutions duly adopted by the City Council, including a bond resolution adopted on April 26, 2021 (the "Resolution"), and in full conformity with the Constitution and laws of the State of Montana thereunto enabling. The Series 2021 Bonds are issuable only as fully registered bonds of single maturities, in denominations of \$5,000 or any integral multiple thereof.

The Series 2021 Bonds with stated maturities in the years 2022 through 2029 are not subject to redemption prior to their stated maturities. The Series 2021 Bonds with stated maturities on or after July 1, 2030 will be subject to redemption on July 1, 2029, and any date thereafter, at the option of the City, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium. If less than all of the Series 2021 Bonds are to be redeemed, the Series 2021 Bonds to be redeemed shall be from such stated maturities and in such principal amounts as the City may designate in writing to the Registrar (or, if no designation is made, in inverse order of maturities and within a maturity in \$5,000 principal amounts selected by the Registrar by lot or other manner as directed by the City). The date of redemption and the principal amount of the Series 2021 Bonds to be redeemed shall be fixed by the City Finance Director who shall give notice thereof to the Registrar at least forty-five days prior to the date of redemption. The Registrar shall, at least thirty days prior to the designated redemption date, cause notice of redemption to be provided, by first class mail, or by other means required by the securities depository, to the registered owners of each Series 2021 Bond to be redeemed at their addresses as they appear on the bond register, but no defect in or failure to give such notice shall affect the validity of proceedings for the redemption of any Series 2021 Bond not affected by such defect or failure. The notice of redemption shall specify the redemption date, redemption price, the numbers, interest rates and CUSIP numbers of the Series 2021 Bonds to be redeemed and the place at which the Bonds are to be surrendered for payment, which is the operations center of the Registrar. Official notice of redemption having been given as aforesaid, the Series 2021 Bonds or portions thereof so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the

payment of the redemption price) such Series 2021 Bonds or portions thereof shall cease to bear interest.

As provided in the Resolution and subject to certain limitations set forth therein, this Series 2021 Bond is transferable upon the books of the City in the operations center of the Registrar, by the registered owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his attorney; and may also be surrendered in exchange for Series 2021 Bonds of other authorized denominations. Upon any such transfer or exchange, the City will cause a new Series 2021 Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The City and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary.

This Bond has been designated by the Borrower as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Montana to be done, to exist, to happen and to be performed precedent to and in the issuance of this Bond, in order to make it a valid and binding general obligation of the City according to its terms, have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required; that the City Council will annually levy an ad valorem tax on all of the taxable property in the City sufficient to pay the interest hereon when it falls due and also to pay and discharge the principal of this Bond at maturity; and that this Bond, together with all other indebtedness of the City outstanding on the date of original issue hereof and on the date of the delivery of the Series 2021 Bonds of this issue to the original purchaser thereof, does not exceed any constitutional or statutory limitation of indebtedness.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Registrar by the manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, City of Billings, Montana, by its City Council, has caused this Bond to be executed by the facsimile signatures of the Mayor, the City Finance Director and the City Clerk and by a facsimile of the official seal of the City.

(Facsimile Signature)  
Mayor

(Facsimile Seal)

(Facsimile Signature)  
City Finance Director

(Facsimile Signature)  
City Clerk

Date of Authentication: \_\_\_\_\_, 20\_\_

#### CERTIFICATE OF AUTHENTICATION

This is one of the Series 2021 Bonds delivered pursuant to the Resolution mentioned within.

U.S. BANK NATIONAL ASSOCIATION,  
as Bond Registrar, Transfer Agent,  
and Paying Agent

By \_\_\_\_\_  
Authorized Representative



The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

- TEN COM

– as tenants in common

UTMA. . . . .Custodian. . . . .  
  
(Cust)  
(Minor)
- TEN ENT

– as tenants by the entireties

under Uniform Transfers to  
Minors Act. . . . .  
  
(State)
- JT TEN

– as joint tenants with right of  
survivorship and not as  
tenants in common

Other abbreviations may also be used.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

PLEASE INSERT SOCIAL SECURITY  
OR OTHER IDENTIFYING NUMBER OF  
ASSIGNEE:

NOTICE: The signature(s) to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration, enlargement or any change whatsoever.

SIGNATURE GUARANTEE:

Signature(s) must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Bond Registrar,

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which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Bond Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT B  
[FORM OF ESCROW AGREEMENT]

## ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this "Agreement") is made and executed between the City of Billings, Montana (the "City"), and U.S. Bank National Association, in Salt Lake City, Utah (the "Agent"). The parties hereto recite and, in consideration of the mutual covenants and payments referred to and contained herein, covenant and agree as follows:

1. The City, in accordance with Resolution No. \_\_\_\_\_ adopted by the City Council of the City on April 26, 2021, sold its General Obligation Refunding Bonds, Series 2021, dated, as originally issued, as of the date hereof, in the aggregate principal amount of \$7,310,000 (the "Series 2021 Bonds"), which are issued for the purpose of providing funds to refund and redeem the City's General Obligation Bonds, Series 2012 dated, as originally issued, as of August 1, 2012 (the "Series 2012 Bonds"), with stated maturities in 2022 and thereafter, and outstanding in the aggregate principal amount of \$8,215,000 (the "Refunded Bonds"), and paying costs of issuance and of the refunding. The City has directed that net proceeds of the Series 2021 Bonds in the amount of \$8,293,084.27 (reflecting a reoffering premium of \$1,020,177.05 and underwriter's discount of \$37,092.78) be applied as follows: (i) \$8,215,000.00 to be deposited in the Escrow Account, and (ii) \$78,084.27 to be deposited in the costs of issuance subaccount within the Debt Service Account held by the City to pay costs of issuance and of the refunding. In addition, the City has appropriated \$149,950 of funds on hand in the debt service account for the Refunded Bonds to be deposited in the Escrow Account.

2. The Agent acknowledges receipt of the cash in the aggregate amount of \$8,364,950 and agrees that it will hold such cash in a special segregated escrow account in the name of the City (the "Escrow Account"), and that it will remit from the Escrow Account to the paying agent of the Series 2012 Bonds the funds required for the payment of the redemption price of the Refunded Bonds on July 1, 2021 as shown on the attached Exhibit A (which is hereby incorporated herein and made a part hereof). Amounts deposited in the Escrow Account will be invested in eligible investment funds as described on Exhibit B. The Escrow Agent shall promptly transfer to the City all amounts remaining in the Escrow Account after paying the redemption price of the Refunded Bonds on July 1, 2021. The City will deposit investment earnings received from investment of amounts in the Escrow Account into the Debt Service Account for the Series 2021 Bonds.

The Agent shall:

(i) within 10 days of the date hereof, provide notice of the defeasance of the Refunded Bonds (in the form of Exhibit C-1 hereto (which is incorporated herein and made a part hereof)) by telecopy, overnight delivery, mail or other means, as appropriate, to the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access system website ("EMMA"); and

(ii) not less than 30 days prior to July 1, 2021, provide notice of the redemption of the Refunded Bonds in the form of Exhibit C-2 hereto (which is incorporated herein and made a part hereof), by first class mail or by other means required by The Depository Trust Company, to the registered owners of the Refunded Bonds at their addresses as they appear on the Bond Register, as required by Section 2.06 of the resolution of the City Council of the City adopted July 23, 2012, authorizing the issuance of the Series 2012 Bonds, and by telecopy, overnight delivery, mail or other means, as appropriate, to the MSRB through EMMA.

After provision for payment of all Refunded Bonds with interest accrued thereon, the Agent will remit any remaining funds in the Escrow Account to the City, which will hold said cash in the Debt Service Account for the Series 2021 Bonds for application toward the payment of the interest to become due on the Series 2021 Bonds on January 1, 2022.

3. The City represents, based on information provided to it by Baker Tilly Municipal Advisors, LLC, the City's municipal advisor, that the amount to be deposited by the City pursuant to this Agreement into the Escrow Account (i.e., \$8,364,950), is sufficient, without regard to investment income thereon, to pay the redemption price of the Refunded Bonds on July 1, 2021, as described in Exhibit A hereto, including all interest accrued thereon.

4. The City acknowledges that regulations of the Comptroller of the Currency grant the City the right to receive brokerage confirmations of the security transactions as they occur. The City specifically waives such notification to the extent permitted by law and will receive periodic cash transaction statements from the Escrow Agent which will detail all investment transactions.

5. In order to ensure continuing compliance with Section 148 of the Internal Revenue Code of 1986 and applicable Treasury Regulations, the Agent agrees that it will not reinvest any cash held in the Escrow Account. Said prohibition on reinvestment shall continue unless and until an opinion is received from nationally recognized bond counsel that reinvestments in general obligations of the United States or obligations the principal of and interest on which are guaranteed as to payment by the United States, as specified in said opinion, may be made in a manner consistent with said Section 148 and then existing Treasury Regulations.

6. The Agent also acknowledges receipt of a sum described in a letter agreement between the City and the Agent, as and for full compensation for all services to be performed by it as Agent under this Agreement, and the Agent expressly waives any lien upon or claim against the moneys and investments in the Escrow Account.

7. If at any time it shall appear to the Agent that the money in the Escrow Account will not be sufficient to make any payment due to the owners of any of the Refunded Bonds, the Agent shall immediately notify the City. Upon receipt of such notice, the City shall forthwith transmit to the Agent for deposit in the Escrow Account

from moneys on hand and legally available therefor, such additional moneys as may be required to make any such payment.

8. On or before July 15, 2021, the Agent shall submit to the City a report covering all money it shall have received and all payments it shall have made or caused to be made hereunder. Such report shall also state the amount of money existing in the Escrow Account, if any, on such date.

9. It is recognized that title to the moneys held in the Escrow Account from time to time shall remain vested in the City but subject always to the prior charge and lien thereon of this Agreement and the use thereof required to be made by the provisions of this Agreement. The Agent shall hold all such money in the Escrow Account as a special trust fund and account separate and wholly segregated from all other funds of the Agent on deposit therein and shall never commingle such money with other money. It is understood and agreed that the responsibility of the Agent under this Agreement is limited to the safekeeping and segregation of the funds deposited with it in the Escrow Account and the collection of and accounting for any interest payable with respect thereto.

10. This Agreement is made by the City for the benefit of the owners of the Refunded Bonds and is not revocable by the City, and the funds deposited in the Escrow Account have been irrevocably appropriated for the payment and redemption of the Refunded Bonds and interest thereon, in accordance with this Agreement.

11. This Agreement shall be binding upon and shall inure to the benefit of the City and the Agent and their respective successors and assigns. In addition, this Agreement shall constitute a third-party beneficiary contract for the benefit of the owners of the Refunded Bonds. Said third-party beneficiaries shall be entitled to enforce performance and observance by the City and the Agent of the respective agreements and covenants herein contained as fully and completely as if said third-party beneficiaries were parties hereto. Any bank or trust company into which the Agent may be merged or with which it may be consolidated or any bank or trust company resulting from any merger or consolidation to which it shall be a party or any bank or trust company to which it may sell or transfer all or substantially all of its corporate trust business shall, if the City approves, be the successor agent hereunder without the execution of any additional document or the performance of any further act.

12. This Agreement may not be amended except to sever any clause herein deemed to be illegal or cure any ambiguity or correct or supplement any provision herein which may be inconsistent with any other provision; provided that the Agent shall determine that any such amendment shall not adversely affect the owners of the Refunded Bonds.

IN WITNESS WHEREOF the parties hereto have caused this Escrow Agreement to be duly executed by their duly authorized officers, as of the 11th day of May, 2021.

CITY OF BILLINGS, MONTANA

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Finance Director

\_\_\_\_\_  
City Clerk

U.S. BANK NATIONAL ASSOCIATION,  
as Escrow Agent

By \_\_\_\_\_  
Its Vice President

(Signature page to Escrow Agreement, dated May 11, 2021,  
with the City of Billings, Montana)



EXHIBIT A

DEBT SERVICE SCHEDULE FOR  
REFUNDED BONDS

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
07/01/2021	\$8,215,000.00	\$149,950.00	\$8,364,950.00

## EXHIBIT B

*[First American Funds Treasury Obligation Fund Class D*

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
07/01/2021	\$8,364,950.00	Variable]

# EXHIBIT C-1

## NOTICE OF DEFEASANCE

### GENERAL OBLIGATION BONDS, SERIES 2012 CITY OF BILLINGS, MONTANA

NOTICE IS HEREBY GIVEN that pursuant to and under the authority of the resolution of the City of Billings, Montana, authorizing the issuance thereof, the outstanding General Obligation Bonds, Series 2012, dated, as originally issued, as of August 1, 2012, which mature on July 1 in the years and amounts and bear interest and CUSIP numbers as set forth below (the "Defeased Bonds"), are now payable from an escrow account established with U.S. Bank National Association, as escrow agent:

<u>Maturity</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>CUSIP</u> <u>Number</u>
2022	\$	4.000%	090095 6H8
	870,000		
2023 <sup>(a)</sup>	400,000	2.375%	090095 6J4
2023 <sup>(a)</sup>	220,000	4.000%	090095 6K1
2024	640,000	4.000%	090095 6L9
2025	665,000	4.000%	090095
			6M7
2026	690,000	4.000%	090095 6N5
2027	720,000	4.000%	090095 6P0
2028	750,000	4.000%	090095
			6Q8
2030 <sup>(b)</sup>	1,575,000	3.000%	090095 6R6
2031	825,000	4.000%	090095 6S4
2032	860,000	3.250%	090095 6T2

(a) Bifurcated maturities.

(b) Term bonds.

The escrow account has been established with the escrow agent to redeem all Defeased Bonds on July 1, 2021, at a redemption price equal to the principal amount thereof with interest accrued to the date of redemption, without premium. The Defeased Bonds are deemed to have been paid in accordance with the resolution authorizing their issuance, and are secured by and payable from the escrow account. Interest on the Defeased Bonds shall cease to accrue on July 1, 2021, and the Holders thereof shall have no further rights with respect thereto except to receive the redemption price so deposited. A further notice of redemption will be given in accordance with the requirements of the resolution authorizing the Defeased Bonds. As of the date hereof, the continuing disclosure requirements set forth in the resolution authorizing the Defeased Bonds shall terminate.



Dated: May 11, 2021.

U.S. BANK NATIONAL ASSOCIATION

## EXHIBIT C-2

### NOTICE OF REDEMPTION GENERAL OBLIGATION BONDS, SERIES 2012 CITY OF BILLINGS, MONTANA

NOTICE IS HEREBY GIVEN that the City of Billings, Montana (the "City"), has called for redemption its General Obligation Bonds, Series 2012, dated, as originally issued, as of August 1, 2012, maturing on July 1 in the years and amounts and bearing interest and CUSIP numbers as set forth below:

<u>Maturity</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>CUSIP</u> <u>Number</u>
2022	\$	4.000%	090095 6H8
	870,000		
2023 <sup>(a)</sup>	400,000	2.375%	090095 6J4
2023 <sup>(a)</sup>	220,000	4.000%	090095 6K1
2024	640,000	4.000%	090095 6L9
2025	665,000	4.000%	090095
			6M7
2026	690,000	4.000%	090095 6N5
2027	720,000	4.000%	090095 6P0
2028	750,000	4.000%	090095
			6Q8
2030 <sup>(b)</sup>	1,575,000	3.000%	090095 6R6
2031	825,000	4.000%	090095 6S4
2032	860,000	3.250%	090095 6T2

- (c) Bifurcated maturities.  
(d) Term bonds.

Such bonds have been called for redemption on July 1, 2021, and interest thereon will cease to accrue from and after said date. The redemption price is equal to the principal amount of the bonds plus interest accrued to the redemption date, without premium.

Holders of such bonds maturing in said years should surrender their bonds for payment to U.S. Bank National Association, as paying agent, for payment on July 1, 2021 at its operations center at 60 Livingston Avenue - Bond Drop Window, St. Paul, Minnesota 55107 or if by mail to P.O. Box 64111, St. Paul, Minnesota 55164-0111.

#### Important Notice:

We are required by law to withhold an applicable portion of the principal amount of your holdings redeemed unless we are provided with your social security number or federal employer identification number, properly certified. Accordingly, you are

instructed to submit at the time of surrender of your bonds a W-9 Form which may be obtained at a bank or other financial institution.

Under the Jobs and Growth Tax Relief Reconciliation Act of 2003, federal backup withholding tax will be withheld at the applicable backup withholding rate in effect at the time the payment is made if the tax identification number is not properly certified.

The paying agent shall not be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in the Redemption Notice. It is included solely for the convenience of the holders.

Interest on the bonds shall cease to accrue on July 1, 2021 and the holders thereof shall have no further rights with respect thereto except to receive the redemption price so deposited.

Dated: June 1, 2021.

U.S. BANK NATIONAL ASSOCIATION

EXHIBIT C

FORM OF CONTINUING DISCLOSURE UNDERTAKING



\$7,310,000  
General Obligation Refunding Bonds, Series 2021  
City of Billings , Montana

CONTINUING DISCLOSURE UNDERTAKING

This CONTINUING DISCLOSURE UNDERTAKING is made by the City of Billings, Montana (the "City") in connection with the issuance and delivery by the City of its \$7,310,000 General Obligation Refunding Bonds, Series 2021 (the "Bonds"), as of this 11th day of May, 2021.

(a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the City hereby makes the following covenants and agrees, for the benefit of the Owners (as hereinafter defined) from time to time of the outstanding Bonds, to provide annual reports of specified information and notice of the occurrence of certain events to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access system website ("EMMA"), as hereinafter described. The City is the only "obligated person" in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made.

If the City fails to comply with this Continuing Disclosure Undertaking, any person aggrieved thereby, including the Owners of any outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of this Continuing Disclosure Undertaking, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder. Notwithstanding anything to the contrary contained herein, in no event shall a default under this Continuing Disclosure Undertaking constitute a default under the Bonds or under any other provision of the resolution adopted by the City Council on April 26, 2021 relating to the Bonds (the "Bond Resolution").

As used herein, "Owner" means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, "Beneficial Owner" means, in respect of a Bond, any person or entity that (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The City will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the City, the following information at the following times:

(1) on or before 365 days after the end of each fiscal year of the City, commencing with the fiscal year ending June 30, 2021, the following financial information and operating data in respect of the City (the "Disclosure Information"):

(A) the audited financial statements of the City for such fiscal year, accompanied by the audit report and opinion of the accountant or government auditor relating thereto, as permitted or required by the laws of the State of Montana, containing a balance sheet as of the end of such fiscal year and a statement of operations, changes in fund balances and cash flows for the fiscal year then ended, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Montana law, as in effect from time to time or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof; and

(B) to the extent not included in the financial statements referred to in paragraph (A) above, information of the type set forth below:

(1) updated information for the City for such fiscal year to include principal amount of general obligation bonds outstanding, assessed/market valuation, taxable valuation, and debt capacity;

(2) tax levy and collection figures for such fiscal year in a format similar to the table in the Official Statement relating to the Bonds (the "Official Statement") under the heading "Property Tax Levies and Collections;" and

(3) a list of the major taxpayers in the City for such fiscal year in a format similar to the table in the Official Statement under the heading "Ten of the Largest Taxpayers in the City."

Notwithstanding anything herein, if the audited financial statements are not available by the date specified, the City shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within ten days after the receipt thereof, the City shall provide the audited financial statements.

Any or all of the Disclosure Information may be incorporated, if it is updated as required hereby, by reference from other documents, including official statements, which have been submitted to the MSRB in the manner set forth in subsection (c) hereof. The City shall clearly identify the Disclosure Information in each document so incorporated by reference.

If any part of the Disclosure Information can no longer be generated because the operations of the City have materially changed or been discontinued, such Disclosure Information need no longer be provided if the City includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other City operations in respect of which data is

not included in the Disclosure Information and the City determines that certain specified data regarding such replacement operations would be material (as hereinafter defined), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations.

If the Disclosure Information is changed or this Continuing Disclosure Undertaking is amended, then the City shall include in the next Disclosure Information to be delivered pursuant to this Continuing Disclosure Undertaking, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

(2) In a timely manner not in excess of ten business days, notice of the occurrence of any of the following events:

- (A) principal and interest payment delinquencies;
- (B) non-payment related defaults, if material;
- (C) unscheduled draws on debt service reserves reflecting financial difficulties;
- (D) unscheduled draws on credit enhancements reflecting financial difficulties;
- (E) substitution of credit or liquidity providers, or their failure to perform;
- (F) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- (G) modifications to rights of holders of the Bonds, if material;
- (H) bond calls, if material, and tender offers;
- (I) defeasances;
- (J) release, substitution or sale of property securing repayment of the Bonds, if material;
- (K) rating changes;
- (L) bankruptcy, insolvency, receivership, or similar event of the City;
- (M) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive

agreement relating to any such actions, other than pursuant to its terms, if material;

(N) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(O) incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material; and

(P) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the City, any of which reflect financial difficulties.

An event is "material" if it is an event as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed in the Bond Resolution or information generally available to the public. Notwithstanding the foregoing sentence, an event is also "material" if it is an event that would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For purposes of paragraphs (O) and (P) above, the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of either (i) or (ii). A "financial obligation" does not include municipal securities for which a final official statement has been provided to the MSRB consistent with the Rule.

(3) In a timely manner, notice of the occurrence of any of the following events or conditions:

(A) the failure of the City to provide the Disclosure Information described above under paragraph (b)(1) above at the time specified thereunder;

(B) the amendment or supplementing of this Continuing Disclosure Undertaking, together with a copy of such amendment or supplement and any explanation provided by the City; and

(C) any change in the fiscal year of the City.

(c) Manner of Disclosure. The City agrees to make available the information described in subsection (b) hereof to the MSRB via EMMA or in a manner as may be otherwise proscribed by the MSRB consistent with the Rule. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(d) Term; Amendments; Interpretation.

(1) This Continuing Disclosure Undertaking shall remain in effect so long as any Bonds are outstanding.

(2) This Continuing Disclosure Undertaking (and the form and requirements of the Disclosure Information) may be amended or supplemented by the City from time to time, without notice to (except as provided in paragraph (b)(3) hereof) or the consent of the Owners of any Bonds, by a resolution of the City Council filed in the office of the recording officer of the City accompanied by an opinion of Bond Counsel, who may rely on certificates of the City and others and the opinion may be subject to customary qualifications, to the effect that the Continuing Disclosure Undertaking (and the form and requirements of the Disclosure Information), as so amended or supplemented, will comply with the provisions of paragraph (b)(5) of the Rule, assuming that such provisions apply to the Bonds.

If the Disclosure Information is so amended, the City agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

(3) This Continuing Disclosure Undertaking is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so the undertaking would satisfy the requirements of paragraph (b)(5) of the Rule.

Dated: May 11, 2021.

CITY OF BILLINGS, MONTANA

By \_\_\_\_\_  
Mayor

By \_\_\_\_\_  
City Finance Director

or, if such Series 2021 Bonds are prepayable and notice of redemption thereof has been given or irrevocably provided for, to such earlier redemption date.

Section 7. Continuing Disclosure. The Council hereby approves the Continuing Disclosure Undertaking of the City substantially in the form of the attached Exhibit C and authorizes the Mayor and the City Finance Director, or in the absence or unavailability of either, the City Administrator, to execute and deliver on behalf of the City contemporaneously with the date of issuance and delivery of the Series 2021 Bonds the Continuing Disclosure Undertaking, with such changes as may be necessary or appropriate. The execution and delivery by two appropriate officers of the City of the Continuing Disclosure Undertaking are adequate to cause the Continuing Disclosure Undertaking to be binding and enforceable on the City.

Section 8. Certification of Proceedings. The officers of the City are hereby authorized and directed to prepare and furnish to the Original Purchaser and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records of the City, and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Series 2021 Bonds as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

Section 9. Repeals and Effective Date.

9.01 Repeal. All provisions of other resolutions and other actions and proceedings of the City and this Council that are in any way inconsistent with the terms and provisions of this Resolution are repealed, amended and rescinded to the full extent necessary to give full force and effect to the provisions of this Resolution.

9.02 Effective Date. This Resolution shall take effect immediately upon its passage and adoption by this Council.

PASSED AND APPROVED by the City Council of the City of Billings, Montana, this 26th day of April, 2021.



William A. Cole  
William A. Cole, Mayor

Attest:

By: Denise R. Bohlman  
Denise R. Bohlman, City Clerk